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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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IN REPLY REFER TO:

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Dianne Feinstein
United States Senate
11111 Santa Monica Blvd. Suite 915
Los Angeles, California 90025

Dear Senator Feinstein:

This is in response to your letter dated November 10, 1993, requesting information regarding an FCC rule making proceeding concerning use of the 902-928 MHz band. Your inquiry was prompted by correspondence from your constituent, Mr. Douglas Lau, President of Tatung Telecom, expressing concern about the future availability of this frequency band for use by manufacturers and users of Part 15 devices. For your information I have enclosed a copy of the Notice of Proposed Rule Making in PR Docket No. 93-61. The following is a brief description of the use of the 902-928 MHz band and a brief summary of the Notice.

The 902-928 MHz band is shared by various user groups. In order to effectively manage the shared use of this spectrum, priorities for access to this band have been established among these groups. Users with lower priority must accept interference from and may not cause interference to users that have a higher priority. The 902-928 MHz band is primarily allocated for use by the Federal Government for Radiolocation, Fixed and Mobile services; these Federal Government users must, however, accept interference from Industrial, Scientific, and Medical (ISM) devices. Following both the Federal Government and ISM devices on the priority scale are Automatic Vehicle Monitoring (AVM) systems. Next are Amateur radio operators and finally, Part 15 users that are eligible to operate in this band. Because they have the lowest priority, Part 15 users must accept interference from and are not permitted to cause interference to any of the other users in this band. The order of priorities for users of this band has been in effect for nearly 20 years.

In PR Docket No. (93-61) the FCC has proposed certain changes to rules pertaining to AVM systems operating in the 902-928 MHz band. See, Notice of Proposed Rule Making, PR Docket No. 93-61, 8 FCC Rcd 2502 (1993). Uses for AVM systems include locating and tracking fleets of vehicles, locating stolen vehicles, alerting authorities to emergencies, automated toll collection, and freight tracking. Currently, such systems are licensed in the 904-912 and 918-926 MHz sub-bands.

In PR Docket No. 93-61 the Commission proposes that such systems be licensed throughout the entire 902-928 MHz band and that they be permitted to locate persons as well as vehicles. The Commission also recognizes the difficulty various users, including your constituent, may have in sharing this band and have therefore requested comment on ways that sharing may be more easily facilitated. The Commission has not, however, proposed any changes in the status of or restrictions on the use of Part 15 devices in this band at this time.

Approximately 85 entities filed extensive comments expressing their viewpoints on how to resolve the various and complex issues raised in the Notice. Many commenters' views differ in a number of respects from those offered by the Commission, and the Commission gives full consideration to the views expressed by all interested parties. We are currently preparing a Report and Order that will establish the Commission's rules and policies with regard to AVM systems and hope to announce the adoption of this Report and Order in the near future.

I thank you for your interest in this matter. I trust this is responsive to your concerns.

Sincerely,

Beverly G. Baker

for Ralph A. Haller
Chief, Private Radio Bureau

Enclosure

IANNE FEINSTEIN
CALIFORNIA

Refer 930 4459

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pr-AVM
4634

United States Senate

WASHINGTON, DC 20510-0504

November 10, 1993

TO: The Federal Communications Commission
Office of Legislative Affairs
1919 M Street, N.W.
Washington, D.C. 20554

RE: Douglas Lau
Tatung Telecom
1060 Terra Bella Avenue
Mountain View, CA 94043

SUBJECT: Mr. Lau has contacted my office regarding his concern that the FCC will grant a license to another company in order to use frequencies that his company is committed to use. Please review his concerns and apprise me of the situation.

I am sending along the attached for your review and consideration.

A complete report, in duplicate and with the return of the enclosures, will be appreciated. The response should be directed to the attention of Mia Ellis of my Los Angeles office, 11111 Santa Monica Blvd., Suite 915, Los Angeles, California 90025 . If you need more information or if you have any questions, please contact Mia Ellis at 310/914-7308.

I would appreciate either a written interim or a final reply within two weeks. Thank you very much for your help in this regard.

Sincerely,

Dianne Feinstein

Dianne Feinstein
United States Senator

DF:mre

Enclosure

OCT 26 1993

October 20, 1993

Senator Diane Feinstein
1700 Montgomery Street
Suite 304
San Francisco, CA 94111

Dear Senator:

We are a California corporation engaged in the development and sale of innovative wireless telecommunications equipment. We currently employ about 30 people here in Mountain View, and have plans to expand dramatically. These people come from all around the Bay.

Our business future is threatened, however, by action proposed to be taken by the Federal Communications Commission ("FCC"). The FCC is preparing to rule on a filing by Pacific Telesis that would grant them a license to use frequencies that are squarely in the middle of certain frequencies we have committed to use. Our commitment is evidenced by an R&D effort more than two years old to design hardware and related software that operates at these frequencies. This represents a substantial investment.

The frequencies our designs use are in the Industrial, Scientific & Medical ("ISM") portion of the spectrum at 902-928 Megahertz, which has long been allocated for unlicensed use on a non-interfering basis. That is, anyone can transmit on them, provided they avoid interference with each other. The ISM band is governed by Part 15 of the FCC's rules.

This has created an opportunity for entrepreneurial companies like ours to develop state-of-the art technologies to operate in this band. In Part 15, the FCC has specifically encouraged such development by defining how "spread spectrum" can be used at these frequencies. This spread spectrum approach is desirable for its ability to share frequencies with other users without interference.

In response, we have developed, but not announced, certain spread spectrum systems for operation in this band. These products will operate in and around offices, warehouses, malls, hospitals and other locations, public and private, to permit low-power voice and data communications to and from portable pocket-sized units. They can be used for multiple applications, including public safety.

Pacific Telesis, through its recently-acquired business unit called PacTel Teletrac proposes to deploy a single application using old-style technology using high power that would blot out low power transmissions like ours and render this band nearly useless for any application other than theirs. Under FCC rules, if they are granted a license, the users of our equipment would have to shut down anytime they (inevitably) interfere with Teletrac. Thus, it's the license we object to, since it gives Teletrac effectively exclusive use of the band. We wouldn't mind sharing the band with them if they would modify their system to coexist on an unlicensed basis like the rest of Part 15 equipment does.

The PacTel Teletrac application is vehicle location, which is a desirable service, but there are other ways to accomplish it, using better and more modern technology, that do not have the effect of wiping out the efforts of so many others. More modern technology used for vehicle location also has the benefit of much better conservation and reuse of the frequency spectrum, a valuable national resource.

Our plans to produce hundreds of thousands (and, hopefully, millions) of wireless units would help to create a new industry that does not exist today. But if we can't use these frequencies at 900 MHz, we will be forced to redesign everything to operate at frequencies that are much higher and more costly, resulting in a service that costs more and will not penetrate walls as well. That will set our development back at least a year and will call the economics of the whole project into question.

You may well ask how the FCC can be encouraging innovation in this unlicensed band and yet permit Teletrac to file for a license that would destroy it. The answer is that this seems to be a case of the left hand not knowing (or caring) what the right hand is doing. The private radio group of the FCC which is entertaining the Teletrac filing is a different part of the FCC from the one that is looking at Part 15 and the big picture. Yet, if we are not vigilant, this filing may slip by and get approved simply because everybody at the FCC is preoccupied with other matters (and nobody has been at the helm).

We ask your help in contacting the office of the Chairman of the FCC as well as the individual FCC Commissioners to express your concern over this needless disruption of a burgeoning California industry. For your convenience, we have included a draft of a letter expressing such concern. We hope you will send it or a similar letter. It will make a lot of difference to us and to our people. We'll post it on our bulletin board.

Sincerely,

Douglas Lau,
President

(DRAFT LETTER TO
FCC COMMISSIONERS)

Dear (Chairman Hundt)
(Commissioner __):

I am writing in regard to the proposed FCC rulemaking that would greatly expand and make permanent the current interim rules regarding automatic vehicle location and location monitoring in the 900 MHz band.

These rule, if enacted, would have a serious impact on the viability of the Part 15 market--a multimillion dollar segment of the wireless industry. The Part 15 industry is composed of dozens of companies, large and small, a number of whom are in California. These companies have invested millions of dollars in advanced research and development and production of products and services intended to operate in the 900 MHz Part 15 band. These investments were made in good faith reliance on prior Commission rulings opening up this band to unlicensed operation and encouraging innovation in it.

The Commission's flexible rules for unlicensed operation have thus succeeded in attracting small high-technology entrepreneurs to bet their companies on Part 15 technology. Many of tomorrow's jobs are involved, as products based on this technology are just beginning to roll out. These products will include commercial products such as wireless utility metering devices, as well as digital spread spectrum cordless telephones for use both by consumers and in the office, mall, hospital, warehouse and public building. Market researchers project that the total number of users will be very large--many millions.

If a licensed service such as vehicle location is placed in the same band as is used by the Part 15 industry, the resulting interference will, I am assured, undermine the economic viability of the Part 15 companies, and probably that of the vehicle location services as well.

I request that the Commission explore all available alternatives in this proceeding and take what ever measures are necessary to ensure that Part 15 equipment developers and users of their equipment are not disadvantaged by Commission action.

Sincerely,

Sent to: (Chairman Reed Hundt and Commissioners)
Federal Communications Commission
1919 M Street
Washington, D.C. 20554

NAMES AND ADDRESSES OF FCC COMMISSIONERS

The Honorable James H. Quello
Chairman
Federal Communications Commission
Room 802
1919 M St. NW
Washington, DC 20554

(NOTE: Reed Hundt has been designated Chairman by President Clinton, but he has not yet been confirmed.)

The Honorable Andrew C. Barrett
Commissioner
Federal Communications Commission
Room 802
1919 M St. NW
Washington, DC 20554

The Honorable Ervin S. Duggan
Commissioner
Federal Communications Commission
Room 832
1919 M St. NW
Washington, DC 20554